

NATIONAL DAIRY MARKET AT A GLANCE

**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (10/08):**  
**BUTTER:** Grade AA closed at \$1.1050. The weekly average for Grade AA is \$1.1483 (-.0850).

**CHEESE:** Barrels closed at \$1.2500 and blocks at \$1.3000. The weekly average for barrels is \$1.2940 (-.1360) and blocks, \$1.3810 (-.1010).

**NONFAT DRY MILK:** Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (-.0080).

**BUTTER:** The market tone remains unsettled and weak. Cream offerings to butter operations continue to increase. In the West, cream is becoming more difficult to move to Eastern areas. Prices are against the move and churns are not looking for additional volumes above local supplies. Although butter stocks are declining, inventory figures continue to indicate that storage volumes are well above last year at this time. Current churning activities are quite strong to meet fresh butter demand. Overall demand is seasonally fair. Negotiations continue and some have been finalized for upcoming year-end retail promotional needs. Early indications are that butter sales should be quite active in the final quarter of the year.

**CHEESE:** The cheese market remains weak. Many buyers continue to delay orders for more than immediate needs, in anticipation of additional declines. Prices have already declined 60 cents on both barrels and blocks since setting record highs in August. Offerings continue to exceed current spot demand. Cheese production is seasonally heavy, reflecting milk supplies. Cheese yields continue to increase seasonally. Estimated 1999 cumulative 8 month U.S. cheese production compared to the same period in 1998 are: cheddar 1.92 billion pounds, up 7.0%; mozzarella 1.67 billion pounds, up 6.7%; and total cheese 5.25 billion pounds, up 5.5%.

**FLUID MILK:** Weather conditions remain favorable for milk production across most producing areas of the United States. The availability of affordable feed and current good milk prices contribute to the increasing output of milk. In the Western half of the U.S., milk is mostly higher than year ago levels. In California, double-digit increases over 1998 levels are common. In the Northwest, output and solid's levels are increasing. Production in the Midwest is steady to slightly higher. Patterns throughout most of the Northeast and Southeast are seasonally strong. The rebound of milk in the Southeast is easing the need for supplemental milk shipments and 107 loads of milk were shipped into Florida, about a third of the needs of a year ago. Cream demand is lighter and sporadic as pricing factors remain weak.

**DRY PRODUCTS:** Prices and market tones for nonfat dry milk in most regions are generally steady. Supplies are available for low/medium heat needs,

while high heat powder is in tighter supply. Additional churning in the country is creating more available buttermilk, but pricing levels are holding steady. Dry whey offerings are clearing, but some resistance to premiums has caused prices to decline in the Midwest. Exports are helping Western prices firm. Whey protein concentrate market prices are mostly steady. Some offerings continue to bring discounts, while other trading prices are increasing. Lactose prices are adjusting higher as more quarterly contracts are implemented. Domestic and export demand are clearing offerings.

**CCC:** During the week of October 4 - 8, net purchases totaled 1,006,686 pounds of nonfortified NDM and 396,752 pounds of fortified NDM from Western sources.

**BASIC FORMULA PRICE (DAIRY PROGRAMS)** The basic formula price (BFP) for September 1999 is \$16.26 per cwt. at 3.5% test. The September BFP is 47 cents higher than last month and \$1.16 higher than September 1998. The BFP is the base month M/W price of \$15.48 plus a change of 78 cents, which is the change in the butter/powder/cheese formula from August to September. For September 1999, the NASS average cheese price was \$1.8023. The butterfat differential is \$0.126. Class III-A prices are: for Federal Orders 1 & 2, \$12.43; for Order 4, \$12.45; for Orders 124, 131, & 135, \$12.17; and for other affected orders, \$12.37.

**SEPTEMBER AGRICULTURAL PRICES (NASS):** The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in September 1999 was unchanged at 117. Compared with September 1998, the index is up 2 points (1.7%). The index of prices received by farmers for dairy products advanced 7 points during the month of September 1999 to 122. Compared with September 1998, the index was down 7 points (5.4%). On a 3.5% butterfat basis, prices received by farmers in September with changes from August were: for all milk, \$15.76, up \$.81; fluid grade milk, \$15.76, up \$.81; and for manufacturing grade milk, \$15.22, up \$.21.

**AUGUST 1999 DAIRY PRODUCTS (NASS):** Butter production was 66.8 million pounds in August, 4.0% above August 1998 but 11.8% below July 1999. American type cheese production totaled 295.0 million pounds, 12.9% above August 1998 but 2.9% below July 1999. Total cheese output (excluding cottage cheese) was 646.5 million pounds, 8.0% above August 1998 but 1.0% below July 1999. Nonfat dry milk production, for human food, totaled 96.0 million pounds, 21.8% above August 1998 but 3.0% below July 1999. Dry whey production, for human food, was 84.3 million pounds, 9.0% below August 1998 and 5.4% below July 1999. Ice cream (hard) production totaled 81.0 million gallons, 5.1% above August 1998 but 4.4% below July 1999.

## \*\*\*\*SPECIALS THIS ISSUE\*\*\*\*

SEPTEMBER AGRICULTURAL PRICES HIGHLIGHTS (PAGE 7)

AUGUST DAIRY PRODUCTS HIGHLIGHTS (PAGE 8)

FMMO REFORM FINAL DECISION: PRODUCT PRICE AVERAGES (PAGE 9)

FMMO REFORM FINAL DECISION: PRICE COMPARISONS (PAGE 10)

FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS (PAGES 11 - 12)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY OCTOBER 4	TUESDAY OCTOBER 5	WEDNESDAY OCTOBER 6	THURSDAY OCTOBER 7	FRIDAY OCTOBER 8	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3750 (-.0350)	\$1.3450 (-.0300)	\$1.2500 (-.0950)	\$1.2500 (N.C.)	\$1.2500 (N.C.)	(-.1600)	\$1.2940 (-.1360)
40# BLOCKS	\$1.4350 (-.0050)	\$1.4200 (-.0150)	\$1.4050 (-.0150)	\$1.3450 (-.0600)	\$1.3000 (-.0450)	(-.1400)	\$1.3810 (-.1010)
NONFAT DRY MILK EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (-.0080)
BUTTER GRADE AA	\$1.1950 (-.0200)	-----	\$1.1450 (-.0500)	-----	\$1.1050 (-.0400)	(-.1100)	\$1.1483 (-.0850)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM \*\*NOTICE: The CME has announced that they WILL trade on Monday, October, 11, for Columbus Day.\*\*

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, OCTOBER 4, 1999

CHEESE -- SALES: 1 CAR BARRELS @ \$1.3900; 5 CARS 40# BLOCKS @ \$1.4350; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$1.3750, 2 @ \$1.4000  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 3 CARS GRADE AA @ \$1.1950; BIDS UNFILLED: 11 CARS GRADE AA: 10 @ \$1.0025, 1 @ \$1.0000; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.2000, 1 @ \$1.2100, 1 @ \$1.2150, 1 @ \$1.3150

TUESDAY, OCTOBER 5, 1999

CHEESE -- SALES: 12 CARS 40# BLOCKS: 2 @ \$1.4300, 2 @ \$1.4275, 5 @ \$1.4250, 1 @ \$1.4225, 2 @ \$1.4200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 6 CARS BARRELS: 1 @ \$1.3450, 3 @ \$1.3750, 1 @ \$1.3850, 1 @ \$1.3950; 12 CARS 40# BLOCKS: 1 @ \$1.4200, 1 @ \$1.4225, 3 @ \$1.4275, 2 @ \$1.4300, 1 @ \$1.4325, 4 @ \$1.4350  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, OCTOBER 6, 1999

CHEESE -- SALES: 4 CARS 40# BLOCKS @ \$1.4050; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1000; OFFERS UNCOVERED: 4 CARS BARRELS: 2 @ \$1.2500, 2 @ \$1.3450; 5 CARS 40# BLOCKS: 3 @ \$1.4175, 2 @ \$1.4200  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 9 CARS GRADE AA: 1 @ \$1.1700, 1 @ \$1.1725, 1 @ \$1.1600, 1 @ \$1.1500, 2 @ \$1.1475, 2 @ \$1.1425, 1 @ \$1.1450; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.1450; OFFERS UNCOVERED: 16 CARS GRADE AA: 2 @ \$1.1550, 2 @ \$1.1625, 1 @ \$1.1675, 4 @ \$1.1700, 1 @ \$1.1750, 1 @ \$1.1800, 3 @ \$1.1850, 2 @ \$1.1950

THURSDAY, OCTOBER 7, 1999

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.3500, 1 @ \$1.3450; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3000; OFFERS UNCOVERED: 10 CARS 40# BLOCKS: 1 @ \$1.3450, 1 @ \$1.3500, 1 @ \$1.3650, 2 @ \$1.3900, 1 @ \$1.4000, 4 @ \$1.4050  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, OCTOBER 8, 1999

CHEESE -- SALES: 13 CARS 40# BLOCKS: 2 @ \$1.3200, 2 @ \$1.3175, 2 @ \$1.3150, 7 @ \$1.3000; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2700; OFFERS UNCOVERED: 6 CARS 40# BLOCKS: 1 @ \$1.3000, 1 @ \$1.3125, 4 @ \$1.3450  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 5 CARS GRADE AA: 2 @ \$1.1000, 1 @ \$1.0975, 1 @ \$1.1000, 1 @ \$1.1050; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 7 CARS GRADE AA: 1 @ \$1.1050, 2 @ \$1.1075, 1 @ \$1.1200, 1 @ \$1.1300, 2 @ \$1.1450

**BUTTER MARKETS****AUGUST BUTTER PRODUCTION**

During August, butter production in the United States totaled 66.8 million pounds, 4.0% above August 1998, but 11.8% below July 1999. The following are percentage changes from August 1998 for various states: CA +16.7%, MN -45.9%, NY -21.3%, OR -13.2%, PA +16.0%, WA +138.6%, and WI -22.2%. Cumulative output for the first eight months of 1999 totals 788.2 million pounds, 8.3% higher than the same period in 1998.

**NORTHEAST**

The market tone remains weak and unsettled. Chicago Mercantile Exchange AA cash butter trading price continues to decline. Many producers and handlers are surprised at the weakness in the market, especially as upcoming holiday orders are being placed and scheduled for delivery. Churning schedules are seasonally quite active. Cream volumes are readily available to maintain steady production schedules. Stocks of frozen and fresh butter are sufficient to meet current orders. Most handlers anticipate to have sufficient butter stocks as the upcoming holiday season approaches. Current buying interest is fair. Retail orders are slow to fair with restaurant and food service orders steady.

**CENTRAL**

The butter market tone remains weak as prices continue to decline on AA cash butter at the CME. Butter producers continue to take advantage of readily available cream offerings. Churning schedules are seasonally quite active. Usually, butter producers are reluctant to take on additional cream volumes in a weak market situation. Many producers indicate that they would rather churn at this time versus scramble for fresh supplies and cream later on. Of more significance is how

producers are looking upon heavy frozen inventories that were produced and inventoried around \$1.30 and higher earlier this year. Although recent sales have cleared substantial volumes, significant volumes remain in the freezer in comparison to last year at this time. Overall butter demand is quite good. Producers and handlers are reporting that upcoming holiday orders indicate that butter sales should be strong as the year-end holidays near.

**WEST**

More cream is coming onto the market without a ready home and is ending up in local churns. It is becoming increasingly difficult to move cream to the east. Prices are against the move and churns are not looking for cream. Butter stocks are building at more locations. Most contacts do not have any kind of feel how low prices might go during this pricing cycle. Print orders are coming in at a steady rate. Bulk movement is a little more questionable. Negotiations are taking place for fall feature activity. Weekly storage numbers monitored by the CME have declined for ten consecutive weeks. They are now below 45 million pounds after peaking at nearly 85 million this spring. This seems to show that even with very heavy current production, stocks are coming down.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCK-LOAD QUANTITIES.

\*\*\*DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.\*\*\*

**NASS DAIRY PRODUCT PRICES**  
 U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
OCTOBER 2	1.6243 3,648,100	1.4749 8,074,928	1.0166 17,131,631	1.2461 4,428,536	0.1948 4,633,616

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Wholesale prices are again lower and the market tone remains weak. Cheese production remains seasonally active, reflecting local milk availability. With inventory values declining, producers are reluctant to purchase extra milk for manufacturing. Buyers are limiting most purchases to immediate needs as cash prices continue to decline at the CME. Estimated August total cheese output for selected Eastern states are: New York 54.5 million pounds, up 4.5 million pounds (9.1%) and Pennsylvania 30.7 million pounds, up 2.9 million pounds (6.7%).

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.4975-1.9875
Cheddar Single Daisies	:	1.4775-1.9375
Cheddar 40# Block	:	1.6225-1.8000
Process 5# Loaf	:	1.6400-1.8000
Process 5# Sliced	:	1.6600-1.8925
Muenster	:	1.6800-1.9825
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is weak. Cash cheese prices continue to slide at the CME. Plant profitability is being hurt by a \$16.26 BFP milk price and lower cheese prices. Spot offerings continue to exceed demand as many buyers remain gun-shy about making more than short term purchases. Inventories continue to accumulate at the plant level. A few reports indicate fairly good orders to many smaller packagers but still limited spot activity by larger users. Some processors/packagers are having difficulty with finding qualified help. Buyers are having difficulty in securing needed volumes of aged cheddar. Cheese production remains seasonally heavy. Swiss prices are steady to higher with Grade A block prices at or above \$2.00 per pound. August total cheese output in selected Midwestern states compared to August 1998 are: Wisconsin 178.9 million pounds, up 7.2 million pounds (4.2%); Minnesota 51.6 million pounds, up 2.8 million pounds (5.7%); Iowa 19.9 million pounds, up 585,000 pounds (3.0%); and Missouri 11.4 million pounds, off 827,000 pounds (6.8%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6100-2.1000
Brick And/Or Muenster 5#	:	2.0400-2.1000
Cheddar 40# Block	:	1.8400-2.1150
Monterey Jack 10#	:	2.0300-2.2800
Blue 5#	:	2.1750-2.6800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9100-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.4600-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES : OCTOBER 4 - 8, 1999

BARRELS*	:	\$1.2500 - 1.4300 (NOMINAL)
	:	(-\$ .1750) (-.0575)
40# BLOCKS	:	\$1.4050 - 1.5125 (NOMINAL)
	:	(-\$ .0825) (-.0625)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Natural and process prices continue to decline while Swiss prices are holding steady. Prices have declined for six consecutive weeks. With this trend in mind, buyers are holding off on making purchases as long as possible. Demand is only centered around replacement needs. Stocks are building more rapidly at more plant locations. Most contacts believe that a bottom may be a ways off yet. August production of Swiss in the U.S. totals 17.3 million pounds, down 2.1% from last year. American cheese output in August totals 295.0 million pounds, up 12.9% from a year earlier. American output for selected Western states is as follows: California up 52.8%, Idaho up 10.3%, Oregon up 13.1%, Utah up 40.3%, and Washington down 13.8%. Cumulative total cheese output for the first eight months of the year has reached 5.25 billion pounds, up 5.5% from the same period in 1998.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.5775-1.8375
Cheddar 40# Block	:	1.6000-1.7400
Cheddar 10# Cuts	:	1.7800-2.0000
Monterey Jack 10#	:	1.7900-1.9600
Grade A Swiss Cuts 6 - 9#	:	2.3800-2.5100

## FOREIGN

Domestic prices are again lower with imports unchanged. Domestic distributors are limiting domestic purchases. August total cheese imports total 11.3 million kilograms, up 2.6 million Kgs (29.7%) from last year. Cheese imports during the first 8 months of 1999 total 75.9 million Kg, up 13.9 million Kg (22.5%).

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

NEW YORK		
VARIETY	IMPORTED	DOMESTIC
Roquefort	5.5000-6.8900	-0-
Blue	2.6400-3.1400	1.8350-2.4450*
Gorgonzola	3.2400-5.9400	2.3850-2.4900*
Parmesan (Italy)	TFEWR	3.2450-3.2700*
Romano (Italy)	2.1000-2.9000	-0-
Provolone (Italy)	3.4400-5.5000	1.8450-2.1200*
Romano (Cows Milk)	-0-	3.0150-5.2400*
Sardo Romano (Argentina)	2.6500-3.2900	-0-
Reggianito (Argentina)	2.6500-3.2900	-0-
Jarlsberg-(Brand)	2.7400-3.1200	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam	:	:
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.0900	-0-
Gouda, Large	2.3900-3.1500	-0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	27.8000-31.7000	-0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE		
10/04/99	21,688	128,673
9/01/99	11,548	122,126
CHANGE	+10,140	+6,547
% CHANGE	+88	+5

Based on the historical relationship of the preliminary U.S. Cold Storage report of Aug 31, 1999 and the selected centers storage report, the expected U.S. holdings as of Oct 1 are:

Butter 179 million pounds plus or minus 2.51 percent  
Cheese 536 million pounds plus or minus 3.62 percent

## FLUID MILK AND CREAM

## E A S T

Milk production patterns throughout most of the Northeast and especially in the Southeast are seasonally strong. In the Northeast, weather conditions are nearly ideal for fall milk output. Along with increasing milk receipts, tests on incomin milk are indicating higher butterfat levels. In the Southeast, milk is rebounding, thus the need for additional milk from outside of the region is not as heavy. During the week, 108 loads of milk entered Florida from Northern areas. This volume is lower than last week's 147 loads and well below last year's weekly import of 292 loads. Milk also continues to leap-frog from the Northeast, although these shipments are becoming less also. Class I demand is strong this week which is typical during the first week of a month. Cream prices are generally lower as multiples and the pricing basis edge lower. Cream volumes are reported to be readily available for both Class II and III needs. Production schedules of Class II items are following seasonal trends and not significantly increasing yet, although as the yearend holidays near, producers anticipate heavier need for available cream. Diversions to local butter operations are quite heavy. Condensed skim markets are generally quiet. Spot sales are occurring because of price and California condensed skim is displacing local supplies because it can be delivered well below local FOB prices. Even at these prices, California condensed skim is more expensive than nonfat dry milk.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.4800-1.7389
DELIVERED EQUIVALENT ATLANTA	-	1.5416-1.7266 M 1.5786-1.6649
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.6160-1.7513

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.1600-1.5600
NORTHEAST- CLASS III - SPOT PRICES	- 1.1800-1.5600

## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
OCTOBER 1 - 7, 1999	35
PREVIOUS WEEK	35
COMPARABLE WEEK IN 1998	52

Class I milk sales within the region are steady to occasionally improved, bolstered by the usually stronger first of the month shopping pattern. Besides the milk shipments reported, 24 loads of Wisconsin milk are "direct shipped" to Kentucky, 28 loads to Georgia, and 21 loads to Missouri and are pooled under a Southern federal order. Another 12 loads of Wisconsin and 4 loads of Indiana milk were reported as shipped to Ohio for Class II use. Milk supplies are at least adequate for needs and many cheese producers are more than willing to part with fluid should the need arise. Spot milk prices are steady to lower and buyers are having little difficulty in acquiring supplemental loads. Cream demand is seasonally good, though ice cream interest is only seasonal. Cream cheese interest is improving. Cream prices are lower reflecting declines in cash butter prices at the Chicago Mercantile Exchange. Milk intakes are little changed to slightly higher. Most manufacturing schedules remain well above year ago levels. Some

plant operators are looking at being less aggressive in procuring new producers when looking at the prospects for increased milk supplies compared to plant capacity next winter and spring. A freeze ended the growing season through much of the upper tier of states. Good progress is occurring on corn and soybean harvest and fall tillage operations.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	SEP 30 - OCT 6	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 39.00	\$ 28.00- 32.50
REPLACEMENT HEIFER CALVES	\$240.00-325.00	\$165.00-220.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	SEP 30 - OCT 6	PREVIOUS YEAR
SLAUGHTER COWS	\$ 32.00- 43.50	\$ 29.00- 34.25

## W E S T

The September 4a price (butter/powder) in California is \$12.52, down 22 cents from August 1999 and \$6.11 lower than last year. The 4b price (cheese) is \$15.06, \$1.84 lower than last month and 34 cents lower than last year. (The September BFP used in federal orders is \$16.26, 47 cents higher than August and \$1.16 higher than September 1998.) Output in the Southwest remains strong. California milk production continues to outpace year ago levels at a double digit pace. Plants are generally able to handle all the milk at this time. There are some concerns if the pace continues into the heavier milk producing times of the cycle and if a plant or two would have production problems for any extended period of time. Favorable weather returned to the far southern areas of the state after high temperatures returned for a period last week. Production dropped, but recovered some this week. Fluid milk demand was noted as higher this week, which was welcomed by many operators. Cream demand for out of state shipments was rather lackluster due to high cream prices and the weak and yet declining butter market price. Feed availability and pricing remain favorable. Production levels remain favorable for Arizona and New Mexico and are at higher than a year ago levels. Milk output and tests are increasing in New Mexico. Conditions are favorable in the state. Hay prices are steady to slightly higher for top quality alfalfa with more lower quality forages available. Cooler conditions and scattered showers are more common over the Pacific Northwest. Milk production remains seasonally heavy. Tests are increasing on the milk entering plants. A few more herd dispersal sales are noted within the region. Animals continue to sell very well. Monthly auction heifer sales continue to report increasing prices. Culling rates remain very light. Contacts wonder how the probable large decline in milk prices in the near future will impact demand for replacement animals. Supplies of dairy quality hay are becoming less available in the region and prices are increasing. More export sales to the Far East are occurring. Well over half the corn silage has been harvested. Yields are much above anticipated levels with many running out of storage space. The quality is also excellent. Conditions remain ideal for milk production in northern Utah and southern Idaho. Days are warm and nights are cool. Some contacts are noting that manufacturing milk intakes are increasing. Good quality, reasonably priced feed and increasing cow numbers are leading to more milk. A number of plants in the region are working on or have brought on line additional plant capacity.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 10/07/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are unchanged to lower and the market tone is generally steady. Production is mixed as supplies increase at some plants while others remain shut down or produce nominal amounts of NDM. Demand is slow to fair. Some plants are anticipating an increased demand due to the higher Class II condensed prices. NDM for feed purposes is available below the range. Some producers are beginning to talk about the potential for support prices in 2000. Inventories are mostly in balance for current interest. Production of human food, nonfat dry milk during August 1999 totaled 96.0 million pounds, up 21.8% from August 1998 but 3.0% below July 1999. Month ending stocks, at 105.5 million pounds, are 11.4% above a year ago but 25.2% less than July.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .10250 - .10650 MOSTLY: .10300 - .10550

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to higher and the market tone is steady to firm. Prices are again driven by a lack of available fresh buttermilk. Some aged product is again beginning to appear. Product 6-12 months old is being traded 2-10 cents below the bottom of the range. Condensed product continues to clear well into ice cream and wet blenders. Dry production is light and inventories are tight. Dry buttermilk production during August 1999 totaled 2.4 million pounds, down 15.7% from August 1998 and 3.1% lower than July 1999. Month ending stocks, at 3.4 million pounds, are 18.5% below last year and 13.1% lower than last month.

BUTTERMILK: .7950 - .8500

**DRY WHEY - CENTRAL**

Prices are lower on a steady to weak market. Resellers are price resistant and feed buyers are showing less of an interest. Premium prices are reduced and some discounting is being noted. Inventories are in balance to instances long. Some producers are buying outside solids to supplement supplies. Domestic demand is light and best into bakeries. Export trade into Asia and Mexico is steady. Production of human food, dry whey during August 1999 totaled 84.3 million pounds, 9.0% less than August 1998 and 5.4% below July 1999. Month ending stocks, at 45.1 million pounds, are 19.8% above a year ago yet 9.9% lower than July 1999.

NONHYGROSCOPIC: .1800 - .2125 MOSTLY: .1975 - .2025

**ANIMAL FEED WHEY - CENTRAL**

Prices are lower on milk replacer and unchanged on the balance. The market tone is steady to weak as interest from the feed industry continues to falter. Plenty of milk replacer is available for the light interest. Offers are adequate to plentiful. Roller ground and delactose clear well on regular commitments. Off grade delactose is available below the average. The veal market is trending steady to firm while lean hog prices are moving lower. Production of animal feed dry whey during August 1999 totaled 8.6 million pounds, 30.0% higher than a year ago yet 5.6% less than July 1999. Month ending stocks, at 8.4 million pounds, are 124.8% above August 1998 but 10.4% below last month.

MILK REPLACER: .1400 - .1925  
STANDARD: TFEWR  
ROLLER GROUND: .1775 - .2125  
DELACTOSE (Min. 20% protein): .2600 - .3150

**LACTOSE - CENTRAL AND WEST**

Prices and the market tone are mixed as the new quarter begins. Lower mesh sizes are available on domestic and export markets at the bottom of the range. Premium prices obtained during the 3rd quarter are now lower. However, prices in general are moving higher with a good domestic and export demand on 60-100 mesh. Feed buyers remain active in the market purchasing both extra and off grade. Off grade is available 1-3 cents below the range. Inventories are in balance to tight and production is generally steady. Lactose production during August 1999 totaled 38.8 million pounds, down 0.9% from August 1998 but 0.7% above July 1999. Month ending stocks, at 18.0 million pounds, are 41.9% lower than a year ago and down 9.6% from last month. Production totals for selected regions with changes from 1998 include: East North Central, 8.6 million pounds, -1.5%; West North Central, 14.2 million pounds, -5.3%; and West, 14.6 million pounds, +8.5%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1700 - .2200 MOSTLY: .1900 - .2000

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged to higher on a steady market. Some multiple load shipments are being traded below the average in the Midwest. However, prices in the Midwest generally tend move at the average or higher. Western product is available at the lower end of the range as inventories, although in better balance, remain fully adequate. Export activity and movement to the Midwest is alleviating some of the heavy Western supplies. Feed buyers are showing some spot interest, yet demand is light. Off grade product is available and condensed supplies are in balance to tight. Production of human food WPC during August totaled 28.1 million pounds, up 35.1% from August 1998 and 4.5% higher than last month. Manufacturers' end-of-month stocks totaled 18.0 million pounds, 51.4% higher than a year ago and 5.9% above July 1999.

EXTRA GRADE 34% PROTEIN: .4050 - .4850 MOSTLY: .4300 - .4600

**NONFAT DRY MILK - WEST**

Low/medium heat NDM prices are unchanged and the market tone is unsettled with hints of weakness. More production is developing as milk volumes remain strong in the region, but some plants were lower as fluid milk needs were locally higher. Stock levels vary and are often helped by offerings to the support program. Several producers noted that DEIP orders are slower. High heat prices are higher in a generally balanced market. Offerings and demand are in check. During the week of September 27 - October 1, CCC net purchases were 1.8 million pounds of nonfortified NDM and 0.7 million pounds of fortified NDM from Western producers. U.S. NDM production in August totaled 96.0 million pounds, up 21.8% from last year but 3.0% less than last month. Cumulative output through eight months of 1999 totals 950.6 million pounds, up 16.9% from 1998. Stocks at the end of August were reported at 105.5 million pounds, up 11.4% from last year but 25.2% lower than last month. August production in California totaled 50.7 million pounds, up 36.1% from last year, and Washington output totaled 17.3 million pounds, up 42.9% from a year ago.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0050 - 1.0325 MOSTLY: 1.0100 - 1.0250

HIGH HEAT: 1.0400 - 1.0550

**DRY BUTTERMILK - WEST**

Pricing and the market tone continue to hold steady with signs of weakness developing. Production levels are increasing where churning is higher. Sales of condensed remain fairly good. Stocks are steady with recent weeks. U.S. buttermilk powder production in August totaled 2.4 million pounds, down 15.7% from last year and 3.1% lower than July. Stocks at the end of the month were reported at 3.4 million pounds, down 18.5% from a year earlier and 13.1% below July.

BUTTERMILK: .7100 - .7900 MOSTLY: .7200 - .7600

**DRY WHEY - WEST**

Both range and mostly prices were fractionally stronger this week for Western whey powder. Demand is sufficient to clear offerings in a steady manner. Both export and domestic demand are rated as fair to good. Stock levels range from tight to readily available. U.S. production of edible dry whey in August totals 84.3 million pounds, down 9.0% from last year. Stocks at the end of the month are 45.1 million pounds, up 19.8% from the same period last year. Output for selected Western states compared to last year is as follows: California 9.8 million pounds, +1.3%; Utah 1.9 million pounds, up 9.2%; and Washington 6.8 million pounds, down 16.8%.

NONHYGROSCOPIC: .1800 - .2125 MOSTLY: .1900 - .2000

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
October 1	\$1.0121	12,167,086
September 24	\$1.0136	11,818,561

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Nonfat dry milk markets are generally steady. Stocks of powder range from light to readily available with high heat powder in the tightest position. Butter/powder production is heavier in the Northeast as more milk is available to manufacturing plants. Milk production increases, a strike at a bottling operation, and diversions from cheese plants are three factors contributing to heavier milk offerings. Demand is seasonally active and, for the most part, clearing available offerings. Production of human food, nonfat dry milk during August 1999 totaled 96.0 million pounds, up 21.8% from August 1998 but down 3.0% from July 1999. Month ending stocks, at 105.5 million pounds, are 11.4% above a year ago but 25.2% less than a month ago.

Includes EXTRA GRADE AND GRADE A

**F.O.B. NORTHEAST:**

LOW/MEDIUM HEAT: 1.0500 - 1.0700 MOSTLY: 1.0500 - 1.0600  
HIGH HEAT: 1.0800 - 1.1100 MOSTLY: 1.0800 - 1.0900

**DELVD SOUTHEAST:**

ALL HEATS: 1.0600 - 1.1300

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Buttermilk powder markets are generally firm at unchanged prices, although prices have firmed within the range. Churning schedules remain active as cream offerings continue to increase. Demand for powder is quite active and for the most part easily clearing available stocks. Although churning schedules are heavier, dry buttermilk supplies are not overly available. Condensed buttermilk sales remain quite good. Dry buttermilk production during August 1999 totaled 2.4 million pounds, down 15.7% from August 1998 and 3.1% less than July 1999. Month ending stocks, at 3.4 million pounds, are 18.5% less than a year ago and 13.1% below last month.

F.O.B. NORTHEAST: .8000 - .8400

DELVD SOUTHEAST: .8200 - .8450

**DRY WHOLE MILK - NATIONAL**

The market tone is generally steady, although prices are mixed. Demand has slowed as limited export interest is being reported and domestic demand is seasonally light. Overall stock levels are reported to be light. For the most part, current dry whole milk production is being limited to contracted needs. Dry whole milk production during August 1999 totaled 9.8 million pounds, down 22.5% from August 1998 and 9.6% above July 1999. Month ending stocks, at 6.2 million pounds, are 7.5% below a year ago and 13.4% less than last month.

F.O.B. PRODUCING PLANT: 1.3600 - 1.7450

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1999 THROUGH OCTOBER 1, 1999

WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 46,511 MT (102,538,151 LBS)  
CHANGE -- 6,185 MT (13,635,451 LBS)

WHOLE MILK POWDER -- 2,076 MT (4,576,750 LBS)  
CHANGE -- 2,000 MT (4,409,200 LBS)

CHEESE -- 882 MT (1,944,457 LBS)  
CHANGE -- 3 MT (6,613 LBS)

BUTTERFAT -- 0 MT

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT. These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Whey markets are generally steady, although the undertone is unsettled. Overall buying interest is slow. Stocks are reported to be more available. Some producers are asking buyers if they could take delivery earlier due to increasing supplies. Midwestern offerings continue to be available to Eastern and Southern buyers. Production of human food, dry whey during August 1999 totaled 84.3 million pounds, 9.0% less than August 1998 and 5.4% below June 1999. Month ending stocks, at 45.1 million pounds, are 19.8% above last year but 9.9% less than a month ago.

F.O.B. NORTHEAST: EXTRA GRADE .1900 - .2125

USPH GRADE A .2125 - .2500

DELVD SOUTHEAST: .2200 - .2425

**ANIMAL FEED WHEY - NORTHEAST**

The market tone is weak with prices too few to report. Overall demand for animal feed whey is slow. Stocks are readily available with buyers taking contracted loads with spot interest very limited. Production of animal feed, dry whey during August 1999 totaled 8.6 million pounds, 30.0% more than a year ago but 5.6% less than July 1999.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

The evaporated milk market is generally steady at unchanged prices. Production is slightly improved due to increasing volumes of milk. Stocks are adequate for the seasonally fair demand. The Kansas City Commodity office announced awards for two invitations to deliver evaporated milk packed in 24/12oz cans: under #600 for November delivery, 1,578,960 pounds @ \$.4664-.5979 and #601 for December delivery, 1,138,320 pounds @ \$.4616-.5136. Canned evaporated milk production during August 1999 totaled 42.8 million pounds, 12.6% more than August 1998 and 11.9% more than July 1999. Month ending stocks, at 46.0 million pounds, are 28.3% less than a year ago but 3.4% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED

MAJOR U.S. CITIES \$24.68 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

The final quarter of the calendar is at hand and the casein markets are much the same as previously. Prices are basically unchanged with supplies remaining readily available. Domestic buyers do not anticipate any problems with deliveries during the next three months. Supplies of both from sourcing countries are reported to be fully sufficient for U.S. needs.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.7500 - 1.9000

ACID: 1.7800 - 1.9000

## SEPTEMBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in September 1999 was unchanged at 117. Compared with September 1998, the index up 2 points (1.7 percent). The index of prices received by farmers for dairy products advanced 7 points during the month of September 1999 to 122. Compared with September 1998, the index was down 7 points (5.4 percent).

On a 3.5 percent butterfat basis, prices received by farmers in September with changes from August were: for All Milk, \$15.76 per hundredweight (cwt.), up \$.81; Fluid Grade Milk, \$15.76 per cwt., up \$.81; and for Manufacturing Grade Milk, \$15.22 per cwt., up \$.21.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., SEPTEMBER 1999 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	AUGUST		SEPTEMBER		SEPTEMBER		SEPTEMBER		SEPTEMBER	
	1999 <u>2/</u>	1998 <u>2/</u>	1999 <u>4/</u>	1998 <u>2/</u>	1999	1998	1999 <u>7/</u>	1998 <u>8/</u>	1999	1998
CA	14.95	15.67	14.66	16.58	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		35.00	33.50	75.00	97.00
ID	16.25	14.60	16.86	15.34			36.50	30.70	82.00	86.00
MI	13.89	14.92	15.99	16.30			34.50	31.80	68.00	93.00
MN	16.86	15.44	16.49	16.31			36.50	33.20	59.00	66.00
NY	14.37	15.23	16.30	16.31			---	---	106.00	84.00
OH	13.82	14.75	15.80	16.11			33.00	32.10	93.00	88.00
PA	14.26	15.53	16.37	16.97			36.00	33.90	136.00	107.00
TX	15.05	15.75	15.45	17.17			33.10	30.50	74.00	95.00
WA	14.43	15.60	15.19	17.18			---	---	91.00	95.00
WI	16.37	15.64	16.56	16.19			35.60	33.70	47.00	76.00
U.S.	14.95	15.48	15.76	16.47			34.90	32.60	74.50	86.50

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

## MILK AND OTHER GENERAL PRICE MEASURES, U.S., SEPTEMBER 1999 WITH COMPARISONS

ITEM	SEPTEMBER 1998	AUGUST 1999 <u>1/</u>	SEPTEMBER 1999 <u>2/</u>
<b>PRICES RECEIVED BY FARMERS</b> , dol. per cwt., 3.5 percent butterfat:			
All milk	16.47	14.95	15.76
Fluid grade milk	16.57	14.95	15.76
Manufacturing grade milk	14.78	15.01	15.22
<b>INDEX NUMBERS</b> (1990-92=100):			
Prices received by farmers for all farm products	99	98	97
Prices received by farmers for dairy products	129	115	122
Prices paid by farmers for commodities and services, interest taxes, and wage rates	115	117	117
Prices paid by farmers for production items	112	113	114
Prices paid by farmers for feed	102	99	99
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	4.02	3.87	4.15

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

**SOURCE:** "Agricultural Prices," Pr 1 (9/99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## AUGUST 1999 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 66.8 million pounds in August, 4.0 percent above August 1998 but 11.8 percent below July 1999. **AMERICAN TYPE CHEESE** production totaled 295.0 million pounds, 12.9 percent above August 1998 but 2.9 percent below July 1999. **TOTAL CHEESE** output (excluding cottage cheese) was 646.5 million pounds, 8.0 percent above August 1998 but 1.0 percent below July 1999. **NONFAT DRY MILK** production, for human food, totaled 96.0 million pounds, 21.8 percent above August 1998 but 3.0 percent below July 1999. **DRY WHEY** production, for human food, was 84.3 million pounds, 9.0 percent below August 1998 and 5.4 percent below July 1999. **ICE CREAM** (hard) production totaled 81.0 million gallons, 5.1 percent above August 1998 but 4.4 percent below July 1999.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	AUG 1999	PERCENT CHANGE FROM:			PRODUCT	AUG 1999	PERCENT CHANGE FROM:		
	1,000 LBS.	AUG 1998	JUL 1999	YEAR TO DATE 1/		1,000 LBS.	AUG 1998	JUL 1999	YEAR TO DATE 1/
BUTTER	66,805	4.0	-11.8	8.3	DRY BUTTERMILK	2,429	-15.7	-3.1	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	149,155	13.8	12.9	---
AMERICAN TYPES 2/	* 294,955	12.9	-2.9	7.5	CONDENSED WHEY, SOLIDS CONTENT 7/				
CHEDDAR	229,785	11.2	-3.2	7.0	SWEET-TYPE, HUMAN FOOD	8,509	7.8	8.3	---
SWISS	17,302	-2.1	3.0	---	SWEET-TYPE, ANIMAL FEED	1,947	10.5	29.4	---
BRICK & MUENSTER	6,935	-10.1	0.1	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	52,451	3.9	8.2	---	DRY WHEY, HUMAN FOOD	84,298	-9.0	-5.4	---
BLUE	4,398	17.2	3.1	---	DRY WHEY, ANIMAL FEED	8,599	30.0	-5.6	---
HISPANIC	7,311	23.6	6.2	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	204,297	7.1	-2.7	6.7	HUMAN FOOD	6,381	11.0	-2.3	---
OTHER ITALIAN TYPES	47,377	-5.7	4.8	-4.8	ANIMAL FEED	2,698	-10.2	-4.0	---
TOTAL ITALIAN TYPES	251,674	4.4	-1.4	4.3	LACTOSE, HUMAN FOOD & ANIMAL FEED	38,746	-0.9	0.7	---
ALL OTHER TYPES	11,426	6.6	7.6	---	WHEY PROTEIN CONCENTRATE				
TOTAL	646,452	8.0	-1.0	5.5	HUMAN FOOD	28,114	35.1	4.5	---
COTTAGE CHEESE, CURD 3/	39,813	-0.8	-0.7	---	ANIMAL FEED	3,482	-0.1	-2.9	---
COTTAGE CHEESE, CREAM 4/	32,301	0.5	2.4	-2.9	FROZEN PRODUCTS		1,000 GALLONS	PERCENT CHANGE FROM:	
COTTAGE CHEESE, LOWFAT 5/	32,060	6.2	1.5	0.2	ICE CREAM (HARD)	80,985	5.1	-4.4	-2.9
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (HARD)	8,139	-8.7	-11.0	---
WHOLE MILK	42,806	12.6	11.9	---	ICE CREAM, LOWFAT (SOFT)	32,272	4.6	-6.6	---
DRY WHOLE MILK	9,816	-22.5	9.6	---	ICE CREAM, LOWFAT (TOTAL)	40,411	1.6	-7.5	-6.4
NONFAT DRY MILK, HUMAN FOOD	6/ 95,993	21.8	-3.0	16.9	SHERBET (HARD)	5,108	1.8	-3.1	0.5
DRY SKIM MILK, ANIMAL FEED	445	13.2	22.3	---	YOGURT, TOTAL	7,690	1.4	-5.0	5.4

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	AUG 1999	PERCENT OF:		PRODUCT	AUG 1999	PERCENT OF:	
	1,000 LBS.	AUG 1998	JUL 1999		1,000 LBS.	AUG 1998	JUL 1999
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	45,089	19.8	-9.9	HUMAN FOOD	17,978	51.4	5.9
DRY WHEY, ANIMAL FEED	8,440	124.8	-10.4	ANIMAL FEED	1,339	25.6	-13.5
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 9/	12,828	6.0	-6.4	CANNED EVAPORATED & CONDENSED WHOLE MILK	45,997	-28.3	3.4
LACTOSE, HUMAN FOOD & ANIMAL FEED	18,040	-41.9	-9.6	DRY WHOLE MILK	6,184	-7.5	-13.4
DRY BUTTERMILK, TOTAL	3,373	-18.5	-13.1	NONFAT DRY MILK FOR HUMAN FOOD	105,525	11.4	-25.2
				DRY SKIM MILK FOR ANIMAL FEED	2,001	50.7	2.8

1/ 1999 cumulative as percent change of 1998 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Mostly used for processing into creamed or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Includes combined Minnesota and Wisconsin production of 1,112,000 lbs. 7/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. \*Includes combined Minnesota and Wisconsin production of 126,003,000 lbs.

**SOURCE:** "Dairy Products," Da 2-6 (10-99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.



**Federal Milk Order Reform Final Decision: Product Price Averages**

The National Agricultural Statistics Service (NASS) began collecting, in September 1998, weekly prices and volume traded for butter, nonfat dry milk and dry whey. Monthly and two-week averages of these new price series, along with those already collected for cheese, will be used in the Federal milk order Final Decision pricing formulas. Listed below are these averages for the time period September 1998 to date. This table will be updated on a monthly basis as the data become available.

Year and Time Period	Product Price Averages <u>1/</u> For:									
	Class I/II					Class III/IV				
	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey
	<u>Dollars per pound</u>					<u>Dollars per pound</u>				
<u>1998</u>										
Sep	9/4,11	2.5918	1.5842	1.0466	0.2624	9/4,11,18,25	2.6726	1.6260	1.0518	0.2637
Oct	10/9,16	2.4828	1.7597	1.0705	0.2563	10/2,9,16,23	2.5081	1.7607	1.0732	0.2544
Nov	11/6,13	2.0889	1.8269	1.0745	0.2426	10/30,11/6,13,20,27	1.9260	1.8278	1.0745	0.2425
Dec	12/4,11	1.3049	1.8552	1.0834	0.2450	12/4,11,18,25	1.3563	1.8643	1.0864	0.2436
<u>1999</u>										
Jan	1/9,16	1.4165	1.8198	1.0715	0.2213	1/2,9,16,23,30	1.4154	1.7225	1.0637	0.2137
Feb	2/6,13	1.2957	1.2824	1.0411	0.1909	2/6,13,20,27	1.2984	1.2925	1.0359	0.1897
Mar	3/6,13	1.3437	1.3056	1.0180	0.1913	3/6,13,20,27	1.3019	1.3064	1.0169	0.1917
Apr	4/10,17	1.0032	1.3154	1.0056	0.1842	4/3,10,17,24	1.0160	1.3126	1.0071	0.1845
May	5/8,15	0.9960	1.2639	1.0055	0.1748	5/1,8,15,22,29	1.0781	1.2499	1.0069	0.1739
Jun	6/5,12	1.4352	1.2422	1.0067	0.1717	6/5,12,19,26	1.4609	1.2786	1.0046	0.1711
Jul	7/10,17	1.3705	1.4548	1.0058	0.1724	7/3,10,17,24	1.3793	1.4583	1.0054	0.1724
Aug	8/7,14	1.4208	1.6849	1.0087	0.1773	7/31,8/7,14,21,28	1.3683	1.7154	1.0089	0.1810
Sep	9/4,11	1.3324	1.8008	1.0155	0.1872	9/4,11,18,25	1.3252	1.7084	1.0174	0.1892

1/ These averages are the average of the applicable weekly prices weighted by the sales volume for the week. See the columns labeled "weeks ending" for applicable weeks. The most recently released information for the week will be used. Once an average price has been computed, it will not be revised even if NASS issues revised data for a week used to compute the average. However, for the period September-December 1998, as NASS was developing the three new price series, these averages were changed to include revisions issued after the average's scheduled computation date.

### Federal Milk Order Reform Final Decision: Comparison of Class I Base Price and Class Prices to Current Pricing Provisions

The Federal milk order reform Final Decision carried a table that compared class prices calculated under the current pricing provisions to those computed using the formulas in the Final Decision for the period January 1994 through December 1998. Listed below is this table updated for January 1999 to date. Please note that the Class I price mover section has been changed as described in the footnote. Also, as it was stated in the Final Decision, this price information is shown for informational purposes only and should not be interpreted as the actual prices that would have occurred had the new pricing provisions been in effect.

Year and Month	Class I Mover (Current) <sup>1/</sup>	Class I Base Price (Final) <sup>1/</sup>	Class II Price		Class III Price		Class III-A/IV Price	
			Current	Final	Current	Final	Current	Final
1999			<u>Dollars per cwt.</u>					
January	16.84	17.44	17.14	14.31	16.27	15.85	13.12	13.45
February	17.34	16.90	17.64	13.72	10.27	11.35	12.78	12.71
March	16.27	12.74	16.57	13.47	11.62	11.51	12.36	12.56
April	10.27	12.75	10.57	12.05	11.81	11.64	11.06	11.26
May	11.62	11.67	11.92	12.21	11.26	10.91	11.62	11.53
June	11.81	11.16	12.11	13.84	11.42	11.04	13.29	13.14
July	11.26	13.04	11.56	13.50	13.59	12.92	12.37	12.79
August	11.42	12.88	11.72	13.46	15.79	15.61	12.62	12.77
September	13.59	15.26	13.89	13.29	16.26	15.60	12.37	12.67
October	15.79	16.54						

<sup>1/</sup> In the Final Decision, these figures were shown for the month which contained the prices used to compute the applicable price mover; that is, for December 1998, the figures of \$17.34 and \$17.44 were derived from December product price information. However, because of advance pricing, the figures for December 1998 do not set the Class I prices for December 1998. On this table, the figures are shown for the month for which the Class I price is set. The Class I mover for January 1999 is the Basic Formula Price for November 1998. The Class I base price for January 1999 is the figure computed using December 1998 data.

### Federal Milk Order Reform Final Decision: Producer Component Prices and Somatic Cell Adjustment

Year and Month	Butterfat	Protein	Other Solids	Somatic Cell Adjustment
	<u>Dollars per pound</u>			
January	1.5871	3.2928	0.0792	.00086
February	1.4444	2.0006	0.0544	.00065
March	1.4487	2.0428	0.0565	.00065
April	1.1000	2.5104	0.0491	.00066
May	1.1757	2.1984	0.0381	.00062
June	1.6426	1.6992	0.0352	.00064
July	1.5430	2.4431	0.0366	.00073
August	1.5296	3.3421	0.0455	.00086
September	1.4771	3.3853	0.0539	.00085

## FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

**BASIC FORMULA PRICE.** The Basic Formula Price for September 1999 is \$16.26 per hundredweight at 3.5 percent butterfat. The September Formula Price is the August base month Minnesota-Wisconsin (M-W) price of \$15.48 at 3.5 percent plus a change of \$0.78, which is the change in the butter/powder/cheese formula from August to September 1999. The September 1999 Basic Formula Price is \$0.47 more than last month and \$1.16 more than the September 1998 Basic Formula Price. This Basic Formula Price is the Class III price for September 1999 and is to be used in November 1999 for establishing minimum Class I (fluid use) prices and minimum Class II prices under Federal milk orders, unless legislative or judicial action mandates a change in the computation of November Class I and Class II prices. To arrive at the minimum Class I price for each market, a Class I differential, ranging from \$1.20 in the Upper Midwest order to \$4.18 in the Southeastern Florida order, is added to this basic formula price. To arrive at the minimum Class II price for all markets, a differential of \$0.30 is added to this basic formula price. For those orders which adjust blend prices for butterfat contents varying from 3.5 percent, the producer butterfat differential per 0.1 percent butterfat is 12.6 cents. **MILK COMPONENT CONTENTS.** For the August 1999 base month M-W price, the butterfat content was 3.63 percent, protein 3.14 percent, and solids-not-fat 8.49 percent. For the September 1999 Basic Formula Price, the butterfat content was 3.77 percent, protein 3.25 percent, and solids-not-fat 8.57 percent.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	SEPTEMBER								OCTOBER			NOVEMBER	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999	1999
		DOLLARS								DOLLARS				
New England (Boston)	1 3/	16.83	18.01	13.89	15.07	16.32	15.16	12.43	19.87	19.03	18.23	16.09	19.50	16.56
New York/New Jersey (NY City)	2 4/	16.73	17.91	13.97	15.15	16.40	15.24	12.51	19.95	18.93	18.13	16.17	19.40	16.64
Middle Atlantic (Philadelphia/ Baltimore/Washington, DC)	4 5/	16.62	17.80	13.89	15.07	16.34	15.18	12.45	19.89	18.82	18.02	16.09	19.29	16.56
Carolina (Charlotte)	5	16.67	17.85	13.89	15.07	16.26	15.10	12.37	19.81	18.87	18.07	16.09	19.34	16.56
Southeast (Atlanta/Birmingham)	7	16.67	17.85	13.89	15.07	16.26	15.10	12.37	19.81	18.87	18.07	16.09	19.34	16.56
Upper Florida (Jacksonville/Tallahassee)	6	17.17	18.35	13.89	15.07	16.26	15.10	---	---	19.37	18.57	16.09	19.84	16.56
Tampa Bay	12	17.47	18.65	13.89	15.07	16.26	15.10	---	---	19.67	18.87	16.09	20.14	16.56
Southeastern Florida (Miami)	13	17.77	18.95	13.89	15.07	16.26	15.10	---	---	19.97	19.17	16.09	20.44	16.56
Michigan Upper Peninsula (Marquette)	44	14.94	16.12	13.89	15.07	16.26	15.10	12.37	19.81	17.14	16.34	16.09	17.61	16.56
Southern Michigan (Detroit)	40 6/	15.34	16.52	13.89	15.07	16.26	15.10	12.37	19.81	17.54	16.74	16.09	18.01	16.56
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	15.59	16.77	13.89	15.07	16.26	15.10	12.37	19.81	17.79	16.99	16.09	18.26	16.56
Ohio Valley (Columbus)	33	15.63	16.81	13.89	15.07	16.26	15.10	12.37	19.81	17.83	17.03	16.09	18.30	16.56

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	SEPTEMBER								OCTOBER			NOVEMBER	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999	1999
		DOLLARS								DOLLARS				
Indiana (Indianapolis)	49	15.49	16.67	13.89	15.07	16.26	15.10	12.37	19.81	17.69	16.89	16.09	18.16	16.56
Chicago Regional	30	14.99	16.17	13.89	15.07	16.26	15.10	12.37	19.81	17.19	16.39	16.09	17.66	16.56
Central Illinois (Peoria)	50	15.20	16.38	13.89	15.07	16.26	15.10	---	---	17.40	16.60	16.09	17.87	16.56
S. Illinois/E. Missouri (Alton)	32	15.51	16.69	13.89	15.07	16.26	15.10	---	---	17.71	16.91	16.09	18.18	16.56
Louisville/Lexington/Evansville	46	15.70	16.88	13.89	15.07	16.26	15.10	12.37	19.81	17.90	17.10	16.09	18.37	16.56
Upper Midwest (Minneapolis)	68	14.79	15.97	13.89	15.07	16.26	15.10	12.37	19.81	16.99	16.19	16.09	17.46	16.56
E. South Dakota (Sioux Falls)	76	15.09	16.27	13.89	15.07	16.26	15.10	---	---	17.29	16.49	16.09	17.76	16.56
Iowa (Des Moines)	79	15.14	16.32	13.89	15.07	16.26	15.10	12.37	19.81	17.34	16.54	16.09	17.81	16.56
Nebraska/W. IA. (Omaha/Sioux City)	65	15.34	16.52	13.89	15.07	16.26	15.10	12.37	19.81	17.54	16.74	16.09	18.01	16.56
Greater Kansas City	64	15.51	16.69	13.89	15.07	16.26	15.10	---	---	17.71	16.91	16.09	18.18	16.56
Southwest Plains (Oklahoma City)	106	16.36	17.54	13.89	15.07	16.26	15.10	12.37	19.81	18.56	17.76	16.09	19.03	16.56
Texas (Dallas)	126	16.75	17.93	13.89	15.07	16.26	15.10	12.37	19.81	18.95	18.15	16.09	19.42	16.56
Eastern Colorado (Denver)	137	16.32	17.50	13.89	15.07	16.26	15.10	---	---	18.52	17.72	16.09	18.99	16.56
Western Colorado (Grand Junction)	134	15.59	16.77	13.89	15.07	16.26	15.10	---	---	17.79	16.99	16.09	18.26	16.56
SW Idaho/Eastern Oregon (Boise)	135	15.09	16.27	13.89	15.07	16.26	15.10	12.17	19.85	17.29	16.49	16.09	17.76	16.56
Great Basin (Salt Lake City)	139	15.49	16.67	13.89	15.07	16.26	15.10	---	---	17.69	16.89	16.09	18.16	16.56
Central Arizona (Phoenix)	131	16.11	17.29	13.89	15.07	16.26	15.10	12.17	19.85	18.31	17.51	16.09	18.78	16.56
New Mexico/West Texas (Albuquerque)	138	15.94	17.12	13.89	15.07	16.26	15.10	12.37	19.81	18.14	17.34	16.09	18.61	16.56
Pacific Northwest (Seattle/Portland)	124	15.49	16.67	13.89	15.07	16.26	15.10	12.17	19.85	17.69	16.89	16.09	18.16	16.56
SIMPLE AVERAGE	---	15.91	17.09	13.89	15.07	16.27	15.11	12.35	19.83	18.11	17.31	16.09	18.58	16.56

\* To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. For example, the minimum Class I price in Boston (the New England market) in November 1999 is \$19.50 per 100 pounds or \$1.68 per gallon (\$19.50 divided by 11.63 equals \$1.6767).

1/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. This assessment applies to all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia during the month.

2/ Names in parentheses are principal cities and pricing points of markets.

3/ Zone 1, Boston. Class I price at 201-210 mile zone--72 cents less.

4/ New York City metropolitan area. Prices at 201-210 mile zone: Class I - 72 cents less, Class II - 8 cents less, Class III - 8 cents less, and Class III-A - 8 cents less.

5/ Prices exclude a 6-cent direct delivery differential applicable to milk delivered to Philadelphia.

6/ Prices exclude a 10-cent direct delivery differential applicable to milk delivered to Detroit metropolitan area.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF OCTOBER 4 - 8, 1999			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 10/01/99	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	1,598,926	592,240	1,006,686	1,006,686	-0-	-0-	42,802,000
Fortified	396,752	-0-	396,752	396,752	-0-	-0-	-0-
<b>TOTAL</b>	1,995,678	592,240	1,403,438	1,403,438	-0-	-0-	42,802,000

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF OCTOBER 4 - 8, 1999 =	0.3	16.3	COMPARABLE WEEK IN 1998 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1999 =	0.3	16.3	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	0.0
CUMULATIVE JANUARY 1 - OCTOBER 8, 1999 =	41.2	2,180.25	COMPARABLE CALENDAR YEAR 1998 =	25.0	1,320.2

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF OCTOBER 4 - 8 1999 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MI DWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	1,006,686	396,752
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MI DWEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
WEST	-0-	-0-	-0-	-0-	1,403,438	-0-	100.0	0.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
<b>TOTAL</b>	-0-	-0-	-0-	-0-	1,403,438	-0-	100.0	0.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80DOLLARS PER POUNDBUTTER: Bulk \$.6500; 1# Prints \$.6800CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 09/18/99 & Comparable Week 1998 1/ 2/

Regions*											U.S. TOTAL		% DAIRY OF ALL		
		1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
1999-Dairy cows	HD (000)	0.3	1.0	6.3	5.5	18.3	2.5	2.8	0.7	9.3	2.9	49.5	1,837.7	46.1	46.1
1998-Dairy cows	HD (000)	0.2	1.5	6.3	5.8	18.3	2.4	2.9	1.0	9.7	2.7	50.8	1,918.4	43.2	45.6
1999-All cows	HD (000)	0.3	1.2	8.9	13.5	25.6	15.4	18.6	4.3	11.9	7.7	107.3	3,986.3		
1998-All cows	HD (000)	0.2	1.6	8.6	16.8	25.4	20.6	19.3	5.9	12.0	7.1	117.5	4,211.3		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CCC MARKET PRICE INVITATION 10/1AMERICAN/SKIM MILK CHEESE BLEND

DECEMBER DELIVERY

OFFERS ARE DUE OCTOBER 12. PUBLIC RELEASE IS SCHEDULED FOR 4:00 P.M. CDT OCTOBER 14.

AMERICAN/SKIM SLICES

158,400

BASIC FORMULA PRICE (BFP), MAY 1995\* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26			